"(2) It shall be deemed to have come into force on the 10th day of January, 2009.";

The questions were put and the motions were adopted.

Clause 1, as amended, was added to the Bill.

ENACTING FORMULA

MR. DEPUTY CHAIRMAN: In the Enacting Formula, there is one amendment (No.1) by the hon. Minister.

SHRI P. CHIDAMBARAM: Sir, I move:

1. That at page 1, line 1, *for* the word "Fifty-ninth", the word "Sixtieth" be *substituted*.

The question was put and the motion was adopted.

The Enacting Formula, as amended, was added to the Bill.

The Title was added to the Bill.

SHRI P. CHIDAMBARAM: Sir, I move:

That the Bill, as amended, be passed.

The question was put and the motion was adopted.

MR. DEPUTY CHAIRMAN: Now, we will take up the Prevention of Money-Laundering (Amendment) Bill, 2008.

The Prevention of Money-laundering (Amendment) Bill, 2008

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI PAWAN KUMAR BANSAL): Mr. Deputy Chairman, Sir, on behalf of my senior colleague, Shri Pranab Mukherjee, I beg to move:

That the Bill further to amend the Prevention of Moneylaundering Act, 2002, be taken into consideration.

Sir, the Prevention of Money-Laundering Act was enacted in 2002 and was enforced in 2005 to prevent money laundering and to provide for attachment, seizure and confiscation of proceeds of crime, obtained or derived, directly or indirectly, from money laundering.

Sir, to strengthen the legal framework for combating money laundering and the financing of terrorism, an Amendment Bill was moved in this hon. House, *i.e.* the Prevention of Money Laundering (Amendment) Bill, 2008. The Bill was referred to the Standing Committee, Sir. The Standing Committee on Finance deliberated on the Bill at length and gave certain recommendations to the Government. The Government has given serious consideration to those recommendations, and during the course of consideration of the Bill, clause-wise, I will be moving some of the amendments which have been accepted by the Government.

But, very briefly, I would only like to say, Sir, that the proposed substantive amendments cover certain matters, including (1) the inclusion of more offence in the Schedule to the Prevention of Money Laundering Act, such as offences to do with terrorist financing; (2) the inclusion of a new category of offences, namely, offences of cross border implications — this is to effectively remove the threshold of Rs.30 lakhs for predicate offences of Part B of the Schedule in cases of international activities; (3) bringing money changers, money transfer service providers, and international payment gateways within the reporting regime; (4) bringing one Designated Non Financial Business, namely, casinos under the reporting regime.

Thereafter, Sir, certain provisions are being incorporated to remove difficulties in the enforcement of the Act by—

(a) providing that the proceeds of crime can be provisionally attached even when these are in the possession of a person who has not been charged with a predicate offence;

(b) providing that such order of provisional attachment of the proceeds of crime can be confirmed by the Adjudicating Authority.

And also, Sir, the period of provisional attachment is being raised to 150 days instead of 90 days. Sir, I would only like to, with these words, commend the Bill for consideration of the House.

The question was proposed.

[THE VICE-CHAIRMAN (PROF. P.J. KURIEN) in the Chair]

SHRI RAVI SHANKAR PRASAD (Bihar): Sir, I rise today to make my submissions on the new Prevention of Money-Laundering (Amendment) Bill, 2008, which is being considered by this august House. Sir, this Bill is late, but better late than never. Sir, you may recall that the U.N. General Assembly, the U.N. Security Council, and others, initiated a whole range of steps for the world to unite in the fight against terror. And, the financing of terrorism was one of the items of priority being taken by the international world order.

In various parts of the world, various measures were taken. The Prevention of Money-Laundering Act was enacted in 2002 when we were in power. It took some time because of procedural requirement in getting implemented. There had to be some amendment in 2005, if I recall correctly, and, ultimately the Act came into force in 2005.

Sir, money laundering is basically a profit out of crime. Those who commit crime have to make profit. To make profit, they have to channelise the money through routes. And, this dirty money does not encounter any jurisdiction. It flies from one country to another, from one system to another. I was reading some international literature as to how this money 'laundering' concept

came to be known. I learnt to my dismay that initially the criminals used to stash their coin in the laundry machine. Thereafter, on paper the clothes were washed and that coin used to become white money. Therefore, they used to own up a whole range of laundries. This is how money laundering concept came into being.

Sir, basically it has three concepts. First is the placement part of it. You must place your money. Initial instrument was the laundry machine; this is how this whole thing came about. The second thing is the layering of money. The dirty money has to be layered from one layer to another, then another, in which many institutions, banking systems, stock exchanges, and other trade instruments play some role. The third is the integration—the integration of the dirty money into a white money pool. This completes the entire triangle of money laundering which is there.

Sir, today, this amendment is being considered and I am reminded of the observations and comments of the Finance Minister and External Affairs Minister, yesterday, while giving his reply to the Motion of Thanks to the President's Address debate. While mentioning about the POTA he stated, 'We had to take a view that there was abuse in that case.' Sir, I do not wish to enter into any debate today on that except to remind this august House that POTA has a very elaborate mechanism as far as financing of terrorism was concerned. I wish that that aspect ought to have been kept in view. If apprehension of abuse is the only ground of annulling a law or withdrawing a law, I think, even the present law can be abused any day. In Delhi, Indian Penal Code is there in existence for the last 140 years. Many policemen commit atrocities and the law has been violated. In the Income-Tax law, we hear of false implications. It is annulled in appeal. Do we say that we must annul the Income-Tax law? Do we say that we must withdraw the Indian Penal Code? Therefore, it is important to bear that in the fight against terrorism, if terrorism today is becoming a big menace—as the Minister of State for Finance stated in his initial observation that this particular legislation is designed to strengthen the investigating agencies in the fight against terror—then, it is high time that we must take out this whole debate beyond traditional debate of being abused. Yes, law ought not to be abused, yes, there ought to be safeguards but mere apprehension of abuse ought not to become the basis, otherwise, this legislation, which has also some shortcomings which I will mention subsequently, will also become the same victim of vilification campaign as many anti-terror laws are becoming. Hon. Vice-Chairman, Sir, let us not forget one fundamental issue today. Terrorists today who operate from across the border are attacking Mumbai, the financial capital of India, they are attacking Delhi the political capital of India, they are attacking Bengaluru, the scientific capital of India, they are attacking Varanasi, the spiritual capital of India, they are attacking North, South, East and West. Obviously, all this requires not only big planning but also availability of resources through channels, which are dubious. Sir, let us take the case of our own country. I heard the National Security Advisor

addressing some international conference where he stated publicly and we saw it in news reports that mafia, that slush money, terrorist money is being invested in real estate in India. This is a statement by the National Security Advisor, a very important person in the know of things. Sir, I read reports that on 26th November what happened in Mumbai, Italian mafia money had to play some role in that. We would like the hon. Minister to, at least, clarify it. ...*(Interruptions)*... Obviously, Pakistan money is there, but even Italian money was reported, the route was through Pakistan. Sir, we hear disturbing reports that in Goa, Russian mafia money is being invested in a very big way, as far as real estate purchase is concerned. What India has become is a question we need to ask. Have we become a safe haven not only for terrorism but we have become a safe haven also for dirty money, for money of crime? It is very important that the country need to speak in one voice about it. Sir, this problem has been talked about in responsible quarters from time to time. I remember the present Government in the earlier avatar of Congress Government had constituted N.N. Vohra Committee. That Committee was constituted to examine in detail the nexus between crime syndicate, money mafia, drug lords, terrorists, political patronage, and bureaucratic patronage. This is a very large canvas of obligations to consider. Sir, I would like to remind this House that during the course of their examination of the entire nature of nexus they specifically mentioned the example of Iqbal Mirchi. Iqbal Mirchi was a small time operator in Mumbai, whose job was to pick up cigarettes and liquor bottles from ship docks and used to sell them at high rates. Thereafter, he started spreading his tentacles. He went into real estate, he went into drugs, he went into what not, and ultimately he became a kind of empire by itself having clear patronage of people in power, politically and bureaucratically and no action could be taken. Sir, there are innumerable instances. Take for example Dawood Ibrahim. He is still a fugitive of law but how he began. Ultimately, with the single-handedly support of Memon brothers he could, in 1993, inflict serial bomb blasts in Mumbai and so many people lost their lives. Therefore, today this whole combination of drug money, mafia money, terrorist funding is a huge operation. Sir, I come from Bihar. It abuts to Nepal and my friend Mr. Ahluwalia knows it. Today because of its increased activities, Nepal today is becoming a big centre of ISI activities. I wish that the new Nepal Government, a democratically elected government, to take serious steps in curbing their activities. The borders of Bihar with neighbouring Nepal today have become a big area of this fake currency notes, a big operation. Mr. Ahluwalia in the other Bill mentioned about Domariaganj. Domariaganj is also close to Nepal border, if I am not mistaken. Go to whole of North-East today, to all the seven sisters. The HuJI today, which is nothing but the adopted child of ISI in Bangladesh, has so much of financial network in the entire North-East. We keep on hearing from time to time. Sir, how can India suffer all this? How long can India suffer all this? That is a question to be considered today. Therefore, at least I am happy that in this Bill I see some kind of resolve in the Government for which we have been pressing

from day one that the source of funding of terror, their patrons, their conspiracy and their machinery needs to be checked completely. Therefore, I said at the very beginning, late but better than never. Sir, therefore it is very important. Today I wish to highlight this debate at some different level. It is time the country sheds this whole baggage of political divide on the issue of financing of terrorism. When the whole world is talking in one voice, it is time the country needs to talk in one voice. Sir, about the investigation of this crime, Mr. Minister you have been a lawyer yourself. I only hope that after May-June, you may have to adorn your black coat again but all that is a different matter altogether.

SHRI PAWAN KUMAR BANSAL: You will be proved wrong.

SHRI RAVI SHANKAR PRASAD: He is my good friend. Both of us are lawyers. Mr. Minister, one issue is troubling me enormously. If you see the Statement of Objects and Reasons, clause (c) — kindly have a look at that — is troubling me enormously. It says, "Ensure that the investigating agency can attach any property and search a person only after completing investigation". What is the meaning of this? I hope you are aware of CrPc wherein upon suspicion, obviously, upon the permission of the court, attachment can be done. Search and seizures can take place. Now, here is a case where you are bringing into operation big payment gateways, master cards, casinos, whole range of other international bodies and if the investigating agency has a serious apprehension that any person is involved, he needs to be raided, search and seizures needs to be done, he has to await the conclusion of investigation. Then, obviously it will take 190 days or 150 days. He had enough latitude and liberty available to run away from the wheels of law. Therefore, if an ordinary investigating agency under the CrPc has got the power to seizure, attach and take other preventive measures, obviously, under orders of the court why such a serious instrument designed in the fight against terror should have this obligation that जब तक investigation complete नहीं होगा, तब तक आप attach नहीं कर सकते हैं। I fail to understand this logic. I think this is an issue, which needs your consideration. Otherwise, the whole investigating agency would be suffering serious handicaps in the investigation *per se*. I have only gone through your entire Statement of Objects and Reasons. The other issue, which is important, is the technology part of it. The technology part is equally important. As I said at the very outset, this is a profit of crime and the profit of crime will have to lay up hunting the flight and it goes from one jurisdiction to another, from one country to another. Today, Sir, electronic transfer of bank account is the order of the day. So many safe havens are there. I will come to that separately. From Switzerland to many other countries are safe havens. If our system, those who work on the system are not properly trained in the operation of the technology, in the software, how will they do? Since Mr. Minister, you are the Minister of Banking as well, I would like you to kindly inform the House as to what kind of training has been given to the banking institution as far as the operation of this particular Act is

concerned. The principal Act is already in existence. Now, you are bringing so many financial gateways under it; all the payment gateways, the Master Card and the other instruments. Therefore, the whole world is now available before you. If any particular terrorist is abusing the entire software, which they are quite prone to and we are seeing examples-after-examples, what kind of trained personnel and regulatory mechanism is available under the system so that this cannot be repeated again and again. The intention of the law is very good. I must say. I rise here to support this law. But, since the great reach of terrorists, their financial, political, deadly and technological reach is so overpowering, we should know and it is very important how our system is operating.

Mr. Minister, another important issue I wish to raise is: how have we dealt ourselves with this whole issue? You might have heard. We have been asking this question repeatedly in this House. I have asked. Shri Ahluwalis has asked about the abuse of the Participatory Note route as far as investment in India is concerned. Money is coming. We do not know the face of the money. We do not know the source of money. There is a *fassath*, there is a face known as the Participatory Note route. And, we heard of a report also from expert agencies and intelligence bodies that P-Note route is also being abused for some sort of terrorist funding and Stock Exchange manipulation. They have been saying repeatedly, 'what are your compulsions? Why can't you make it transparent? Why can't you streamline it?' I think, this is very important and we want clarification from you on this when we are discussing the whole concept of money laundering.

The other issue, Mr. Minister, you may recall that a bank of Germany managed to get the details of many investors to save tax in Switzerland. The Government of Germany was keen to disclose the names of the companies. There are 1400 names. Out of which, 800 are non-German investors. The Government of Germany managed to get from an ex-employee of that bank the names of 1400 investors in that tax haven. About 600 are German investors and the remaining 800 are investors from different countries. The Government of Finland, the Government of Australia and other Governments took the names of those investors who invested in the tax haven — Switzerland. I remember, Shri Advaniji and Shri Jaswant Singhji wrote letters to the hon. Prime Minister that why the Government of India is not approaching the Government of Germany to get the names of Indian beneficiaries. Sir, till date, no suitable reply has been given. Why, Sir? We need to be very earnest in the fight against terror. Who are the people? What is their objective? Who is behind them? When we got an opportunity, it is, indeed, very important, to, at least, take this head on, get the names. Our democracy is more than 60 years old. What is the harm? Let the names come. If some of them are the faces of terrorism, as far as money investment part is concerned, let the country know. Let the action be taken. Therefore, this is an issue on which we would like the hon. Minister to clarify.

Sir, the last issue I would like to flag of in this context is, what kind of regulatory mechanism that you have, which I had briefly touched initially, as far as operation of this particular law.

Mr. Minister, you recall that this Act was passed in 2002 when the NDA was in power and, because of some international obligations there was some delay in its implementation. We had to amend the law in 2005. We have been demanding from the day one, after the POTA was repealed, it was all the more important to have proper legal machinery in the fight against terror. Now, you have come forward with this. The Standing Committee has approved it. We are going to pass it. But the range of financial institutions, which come under the monitoring mechanism, is quite wide. Now, the banks are there, financial institutions are there, all the plastic money cards are there, casinos are there, and other financial institutions, which are mentioned in the law, I will not repeat that, are there. All these would require a proper regulatory mechanism as well. And, this regulatory mechanism will work in consultation with the investigation mechanism. We have seen in the case of the Satyam Computers as to how the SEBI is working in coordination with the investigating agency. These kinds of lapses would repeatedly come, Mr. Minister. So, there will have to be a proper monitoring; there will have to be a regulatory mechanism to punish those who are lax in the compliance of their obligations because the instrument is the fight against terror. The instrument is to secure India. Therefore, what kind of regulatory mechanism is there? How has it operated? Have you felt that there are certain shortcomings that need to be reinforced so that this particular law works properly?

Sir, I am grateful to you for having given me time. I would conclude only by saying that this particular legislation is a step in the right direction, though it has come at a very late stage. We support it. But it is very important that this legislation is implemented honestly, is implemented in a manner which has an objective to secure India, and so many agencies are involved that we don't have a repeat of the experience that we had in Mumbai, where the intelligence agencies were having a civil war amongst themselves. Therefore, this kind of working is very important. I would really appreciate if all the concerns, expressed by me, are suitably addressed.

Thank you, Sir.

SHRIMATI JAYANTHI NATARAJAN (Tamil Nadu): Sir, I rise to support this very important Amendment Bill. The connection between the terrorism, between the organized crime, between the drugs trafficking, between the human trafficking, and the money laundering has long been recognized. My friend, who spoke just before me, has dealt with it at great length. I would endorse most of what he has said. Of course, having said this, I would also like to add that it is very important to say that this is an evolving situation. And, this is something when the NDA was in power and the Act was first dropped in 2002. It had to be amended, subsequently, in 2005. As the crimes change, as the faces change, as methods of operation change, as the ground-level situation change and as the priorities change, I think, it is very important that we are adapting to the changing scenario and making ourselves more adaptable to this war against terror. It is not just a war against terror. I would like to point out that this whole issue of money laundering has

much wider ramifications than just the war on terror. It has a tremendous human cost. It has a financial, economic and a cost of human security. It has a tremendous impact upon the economy of our nation. It promotes corruption in each country. It erodes the welfare base in our economic system. Therefore, this is something that we need to look at. Obviously, terror is the prime focus of this Money Laundering Act, which we have brought forward. And, obviously, that is the most important angle that we need to look at. When you look at money laundering as a whole, and only when you look at the entire broader base of money laundering, will the scope of this legislation also be adjusted to suit the broad base and address the concern of whole gamut of issues that include, for example, prevention of corruption or welfare base. It is being established by important authorities, including the KPMG, that money laundering flows into India from drugs and arm trafficking alone. It exceeds 1.5 trillion dollars a year. And, this phenomenol amount of money, if you juxtapose it with the rapid changes in our financial services, for example, in cyber crimes, or, in the way all our financial services have gone into populous mode, have gone into demat mode, have gone into a computer mode,.... If you juxtapose the total amount and the capacity of the system to constantly change and to subvert the laws that are enacted, then, the true dimensions of this issue and the true complexities of this issue become absolutely apparent. So, obviously, Sir, crime, terror and money laundering are naturally not confined to any geographical boundaries; they leap across boundaries. When you look at the nature of it, then, it becomes very important for us to fight in a united voice, as my learned friend also mentioned just before me. It becomes, absolutely, important for us also to cooperate at an international level. Sir, it is with this in view that I would like to raise the most important issue that occurs to my mind and is this. Now, we have been granted observer status in the FATF, that is, the Financial Action Task Force. There are 33 countries and two other institutions which are full members. They have set aside very detailed guidelines. The FATF sets standards, assesses compliance, researches money laundering, etc. There are 40 recommendations which are very serious counter-measures. There are recommendations regarding compliance in terms of criminal justice and enforcement, financial system regulations, and national and international cooperation. Therefore, in all, there are 49 recommendations of an international nature and it is important for us to comply with them. The important reason for us to comply with them is this. India has an observer status. India is looking forward to becoming a full member of the FATF. However, it is something which has gone largely unreported in the Indian media that Pakistan is not a member of the FATF. On 20th February 2008, the FATF had occasion to point out that it was important that Pakistan should abide and comply with many directives issued at the international level. The reason I point this out is to say that all our efforts at preventing money laundering, all our efforts at preventing the misuse of our financial systems worldwide are directed towards individuals and institutions. We don't concentrate, therefore, upon State-sponsored terrorism. It is very important because in the case of Pakistan, it is totally placed on

record that in many cases, it is the ISI itself which is involved. It happened in the case of Mumbai terror attacks that the ISI itself which sponsored not only just the funding of the terror, but the actual acts of terror itself. Therefore, the entire perception of the FATF, the onus right now upon the FATF is to look at the countries from where individuals operate. Therefore, the onus falls upon the countries to become compliant. Therefore, I believe that if India becomes a full member of the FATF and if it becomes fully compliant with all the provisions of the FATF, then, we can work upon the international community to ensure that the focus is on State-sponsored terrorism. You will remember that in the 70's and 80's, it was Governments that, sometimes, sponsored terrorism. There is a list which the U.S. maintains and it is woefully inadequate. The list, probably, includes Cuba, Iran, North Korea, Sudan and Syria. It does not have Pakistan. Therefore, something very comprehensive has to be done by the international community in cases where terror funding is directly sponsored not by non-State actors, but by State actors themselves. To that extent, I believe that this Bill addresses a very important issue. It makes us more compliant and takes us one step further towards that international cooperation which will focus world's attention upon terrorism that is still being perpetuated by State actors as opposed to non-State actors. The Parliament Standing Committee on Finance has addressed this issue of the Bill. I would like to just add something really important to what the Committee has said, that is, 'By and large, the focus has been upon financial institutions. Now the scope of the Act has been enlarged to bring in casinos and also to bring in gateways.' Sir, the most important aspect, that is, the OECD guidelines and norms regarding illegal money has not yet been addressed by this Amendment Act. That is a very broad area where the Government needs to direct its attention. That is something which I hope the hon. Minister will address - the guidelines and norms of the OECD countries regarding illegal transactions like *hawala.*

Sir, there is one more aspect which the Standing Committee examined. I would like to read from the Report of the Standing Committee. This is a memorandum submitted by the SEBI to the Committee. I believe that this is a very important aspect. The Standing Committee in para 22 says, "While it is being proposed to bring casinos within the ambit of PMLA by incorporating a generic definition of the term, clause 2 (j) as pointed by SEBI, other designated nonfinancial businesses and professions such as gold or gem dealers, etc. would continue to remain outside the purview of the Money Laundering Act. The Committee understands that many countries which are signatories to the financial Action Task Force have included such designated businesses and professions. Apparently, the Ministry of Finance feels that it is not possible right now to expand the ambit of the PMLA to cover such designated entities and professions." Of course, it is for the Government, in its wisdom, to decide which are the entities that are going to cause the greatest harm. Especially, when the SEBI has pointed out that there are certain

entities which are very susceptible and vulnerable through which a large amount of money can be transferred, I think, Sir, it is very, very important for the Government to consider these as well. Right now, they have, actually, included a part of the recommendations and they have not included the entire recommendations.

Sir, the other very important issue which I would like to address has also been dealt with by the Committee. Another aspect which has been raised by SEBI is the concept of predicate offences. I welcome that concept. The Government has done extremely well to bring in in the Schedule 'B' certain offences, especially involving stock market. It is not the prerogative of just one section of society to feel shocked and horrified about what happened in the stock market, to worry about stock market manipulation, to worry about the manipulation of our financial systems. I think the entire country, all citizens as one, are worried about the possible manipulation of the financial institutions, particularly, the stock market. The stock market is so much in the public eye that you become vulnerable to manipulation from outside forces, aimed at disintegration of the country. I think, this is something that needs to be put down with an iron hand. Therefore, I welcome the amendment which brings in Schedule 'B' according to which immediately upon finding the section relating to prohibition of manipulative and deceptive devices, insider trading, substantial acquisition of securities, the funds would be immediately confiscated by the Government.

Sir, I would like the Government to consider one thing, that is, it must and should be confiscated immediately. It must and should be prevented from entering into the public arena to be used for finance terror or any other illegal activity. However, Sir, there should be a possibility, as in other cases, where that money can be refunded to the primary retail investor who has put his money there and is suffering for no fault of his. The SEBI has suggested, Sir, that this may be considered by the Government, because if it is brought under this without any further clarification, that money would immediately become the property of the Government and it cannot go back to the retail investor. I believe that the retail investor who has put in a great deal of his money should also have the capacity to get the money back from the Government, from whatever has been confiscated, because he was not a part of this original investigation or the suspicion of terror.

Sir, the Minister may also like to consider this suggestion which is with regard to this other amendment regarding counterfeit notes, which again is a very important amendment. I think, it is important for the Minister to consider a possibility of putting in a threshold. Suppose a single counterfeit note is found in a bank and if all the activities of that bank come to a standstill by that, Sir, I think, that creates a situation which becomes quite untenable in terms of continuing the economic productivity, the work of the economy continuing without interruption. At that point of time, Sir, if the Government can consider introducing some kind of threshold — at whatever

level the Government thinks fit — to ensure that for the sake of a single note, the entire economy does not come to a complete standstill, I think, that would be an important aspect that the Government can possibly consider.

Sir, I would like to say that whatever we do, no matter what we do, the fact of the matter is, without bilateral agreements, it would be difficult to track the source of terror. As has been frequently pointed out, as has been repeatedly pointed out, terror has no boundaries. My friend raised the names of various organisations of terror. Terror knows no religion; terror knows no boundaries. They feed of each other, they feed of crime; terror is feed of crime; crime feeds of terror. I think, the most important issue is that we enter into strategic bilateral agreements so that there is sufficient exchange of information, sufficient exchange of information regarding all the terror networks as that is the only thing that can lead to proper tracking of funds of terror. Unless this is done, unless proper bilateral agreements are entered into with other interested and concerned Governments, it would be difficult. When we become a part of the world-wide system, which controls the financial network, these MoUs will help us to immediately track the source of terror and immediately bring those delinquents and those criminals to justice.

Therefore, Sir, I would like to support the Bill. Thank you, Sir.

SHRI TAPAN KUMAR SEN (West Bengal): Thank you, Mr. Vice-Chairman for giving me this opportunity.

I rise to welcome the spirit of the Bill and also share the concern expressed on the havoc that is being created by the widespread moneylaundering, generating illegal money from almost everything, and, I think, that way, amending the PMLA Bill at this moment, is a very important step.

At the outset itself, I would like to understand one thing. Sir, the first PMLA Bill that was enacted in 2002, the Prevention of Money Laundering Act, could be brought into force in 2005. I need to understand the reason of this time-lag. Sir, the time-lag is important, time-lag is crucial because we are in an era of general economic liberalisation where even the kind of restrictions, kind of monitoring, kind of regulations that were thought about in the 80s are considered villain in the new liberal dispensation where it is being projected or it is being talked about that that kind of restrictions are inimical to growth, inimical to prosperity, inimical to initiative and entrepreneurship. I think that is one important thing which has to be taken into account. There is a need to consider that in that kind of an era, the period of three years is a very crucial thing. Many things change in three years, and, I think, the whole operation of money-laundering has its root in a basic philosophy that was generated, patronised, promoted in the new liberal economic atmosphere, *i.e.*, make money out of money without a value addition, and, that is what speculation means. One can multiply his money without going through the value addition process in this manner, and, if that continues, that is bound to take illegal, unlawful,

unscrupulous means, unscrupulous roots, and, money-laundering is one of the important instruments of those illegal, unlawful and unscrupulous means.

I think it is in this basic context that we are addressing the issue, debating on the Bill, and we are proposing that a more comprehensive exercise be undertaken. Now, Sir, concern has been expressed in the Statement of Objects and Reasons of the Bill and certain amendments proposed, ostensibly to make it broader, more comprehensive and more effective. We are fully in agreement with that spirit and objective. But, at the same time, will it be wrong to raise doubt on the seriousness of the purpose when you see that on the one side we are making our laws more comprehensive and wider to prevent unlawful money generation, and on the other hand, we are withdrawing all restrictions on the participatory notes? In the speculative market there is a very big component of unlawful money generation and that is why, the whole world economy is witnessing a crush. It is not without reason that such a crush has come. Suddenly, papers worth billions of dollars are found worthless and banks and financial institutions see their capital bases totally destroyed. I think that aspect needs to be seriously taken note of. If the same approach continues, definitely, this piece of legislation which I stand to support, cannot deliver the goods ultimately, because with such an approach, of allowing *benami* transactions in the stock markets, allowing unhindered operation of participatory note transactions or similar things, if there is no regulation on it and if we are more concerned about inflow of money into our country without bothering about what kind of money is coming in, ultimately bad money will kill the benefits of all good money flowing into the country. If that continues, then howsoever important, howsoever effective the law may be, that kind of philosophy would be reflected in the enforcement. Then this is bound to fall flat. So, I feel that while expressing my support for the Bill, I would be failing in my duty if I did not express my concern about being overpowered by the philosophy of a deregulated financial regime being taken as a panacea for growth and prosperity. Unless that kind of a mental attitude is corrected, even the best law cannot deliver results.

With these few words on the Bill, I would like to make a request that better late than never, ban the participatory notes transaction from the stock market. That would be consistent with the spirit of the Bill that you are trying to project. This is the first thing. Secondly, the Bill seeks to be consistent with international arrangement in the matter of prevention of money laundering. But, at the same time, it ignores the international experience and the recommendations flowing out of that international experience. Just now the previous speaker talked about the OECB guidelines and observations of the FTFA. I do not understand why, despite a specific pointer by RBI, SEBI to take note of the recommendations of the OECB or FTFA, the Bill which has been placed here after deliberations in the Standing Committee, Government did not officially move for an amendment to take note of the observation made by none less than the RBI.

It is not by people or mass organisations; I am not referring to them. They are not the boss; they are always villain. Don't bother about them. But, your RBI, your own agency, the IBA, they made certain concrete valid propositions. Why do you ignore it? Why should you not, after the unanimous recommendation made by the Parliamentary Standing Committee on Finance on this Bill to make it more effective, incorporate those changes and move certain official amendments to make note of their observations and recommendations. I do not think by ignoring these observations, your purpose will be much more strengthened. It appears that you do not like to widen that coverage with the apprehensions that some interested corners may feel annoyed that there is unnecessary State intervention in the economic activities and your philosophy of total deregulation stands affected. Maybe out of that obsession, you have not done it. But, I am telling you again, that kind of an approach is not consistent with the whole thing you are promoting through this Bill.

Secondly, Sir, certain concrete observations, certain concrete definitions were sought to be put in to make the law more effective - 'authorised persons', 'payment system operators'. Now, while doing this, it has been taken note of and you can see in the definitions, the focus that has been put in this Bill, is, in many places, inconsistent with Foreign Exchange Management Act, Payment and Settlement Act, just very recently passed by both the Houses. It remains inconsistent. And, wherever there is inconsistency about the interpretation, about the definition of a particular expression, particular entity, which is crucial for this prevention of money laundering in the country, whenever there is scope of double interpretation through two different legislations, the hole is created to allow an easy escape route for the financial criminals. We are dealing with all these things about financial crimes. In the law, two different interpretations, not fully consistent with each other, will definitely create escape route for the criminals. I think, the onus falls on the Government to explain as to why in the Swiss Bank, in the total accumulation in those unaccounted accounts, India is the highest contributor. It is the Indian deposits. They are leading the show. They are topping the list. And, from where has this come? In a deregulated economy, every economic operation generates unlawful money, if they are allowed to do so. That is why, if every economic operation meets a stricter, a wider, a close supervision monitoring, I am sure if that is taken care of, money could not be multiplied without value addition, and the whole money will be diverted only to growth and nothing else, only to employment generation and nothing else. And, we will definitely not find that within a span of one year, the number of multi millionaires in our country has grown 27 per cent, again a world record, while the number of people below the poverty line is also increasing simultaneously. It is a peculiar paradox in our country's economic situation which we will not notice if we do not become very religious in ensuring that money is not multiplied directly without value addition. If it is not allowed to flow in that way, I think this piece of legislation can be one of the most forceful

instruments in ensuring that kind of a situation provided the interpretation and definition is made completely consistent with each other as provided in all the legislations. There must not be a room for double interpretation either of 'unauthorised person', 'payment system', different professions to be included, etc. It should be completely unambiguous. Then only, this can be a very powerful instrument and I think our Standing Committee has given a very beautiful report, very comprehensive report, having a comprehensive observation on all these aspects, and I insist that the Government must incorporate all those observations through official amendments, or, otherwise, before adopting this Bill. Sir, in this respect, I would like to specifically mention certain points. I think, I have some more time. Sir, the first point is about broadening the scope of definition of financial institutions. Sir, in the neo-liberal regime, the word 'innovations' has been discovered. The pet words of the financial biggies or the financial intellectuals in this country are that there will be regulation but the financial innovations will be ahead of regulations. Coming to innovations, we have seen the result of financial innovations in the US or European markets. We are saved as our financial system has made fewer innovations; remained a little bit conservative because they could not be privatised, and, still they are saved.

Now, the financial criminals are also no less innovative. If that be so, I think, the definition, after the widening of the coverage of the Act, must include besides money-changing business and financial dealings such other professions and such other occupations which have the potential of becoming a media of these kinds of illegal money generation and money laundering, and, there are professions, different individualoriented professions...*(Interruptions)* I am concluding. We welcome that we are including casinos but please include the metal trade, gold and gem and jewellery trade. Everybody knows it and it is an open secret that it is an important media of this kind of unlawful money transactions like *hawala*. Our country witnessed a big *hawala* scandal cutting across the political spectrum also. So, keeping that in view, the scope needs to be widened.

So, again I repeat, that the definition must be consistent and mutually supportive in different acts. It should not be inconsistent and conflicting and should not allow an escape-route to the financial criminals and also the coverage should be widened to include...*(Interruptions)*

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Please do not stand there and talk like that. *(Interruptions)*

SHRI TAPAN KUMAR SEN: It should include real estate agents, dealers in precious metals, dealers in precious stones, lawyers, notaries and other independent professionals, accountants, and, particularly, the sensitive nature of the accountant-business in promoting the financial crime has already come to light after the Satyam scandal. So, I think, that must find its inclusion in the coverage of this Act, at least, to compel them to include in the reporting regime.

4.00 P.M.

With this suggestion, and, again reiterating my insistence that the Parliamentary Standing Committee's recommendations must be incorporated in this piece of legislation, I commend the Bill. Thank you.

श्री बृजभूषण तिवारी (उत्तर प्रदेश): उपसभाध्यक्ष जी, मैं इस विधेयक के समर्थन में खड़ा हुआ हूँ। अभी कई माननीय सदस्यों ने अपनी राय व्यक्त की तथा देश के अंदर और दुनिया के स्तर पर संगठित अपराध के जरिए जो काला पैसा इकट्ठा हो रहा है और जिसके आवागमन पर किसी प्रकार का कोई रोक नहीं है, उस पर अपनी चिन्ता भी व्यक्त की। जहाँ तक इस विधेयक का प्रश्न है, तो यह विधेयक बहुत ही व्यापक है और बहुत ही अच्छे मकसद को लेकर बनाया गया है। जो संसदीय स्थायी समिति है, उसने इसके विभिन्न पहलुओं पर बहुत ही गम्भीरता से विचार किया और तब जाकर यह मौजूदा विधेयक इस सदन में पेश किया गया है।

मेरा कहना यह है कि हमें इसे बहुत ही व्यापक संदर्भ में देखना चाहिए। यह सही है कि इसमें बहुत अच्छे प्रावधान हैं, क्योंकि इस बात की सम्भावना बराबर बनी रहती है कि कितने भी अच्छे मकसद से कोई भी कानून या कोई विधेयक पेश किया जाए परन्तु उसका असली टेस्ट तब होता है, जब उस विधेयक का अनुपालन होता है, उसका क्रियान्वयन होता है। हम लोग अक्सर देखते हैं कि हमारे यहां जो इनको अमल में लाने वाली मशीनरी है, वह कभी-कभी इसका बहुत ही बेजा दुरुपयोग करती है। मैं उस राय से सहमत नहीं हूं, जो माननीय सदस्य ने अभी व्यक्त की कि चूंकि terrorism, आतंकवाद एक बहुत ही खतरनाक अपराध है, यह मानवता के विरुद्ध अपराध है, इसलिए उस अपराध से निबटने के लिए हम किसी भी स्तर पर उतरें या कोई भी कार्रवाई करें और उसे जायज़ ठहरा दिया जाए, यह उचित नहीं है। इसीलिए इस विधेयक में यह प्रावधान किया गया है कि अगर हम सर्च करना चाहें, अगर हम उस प्रापर्टी को अटैच करना चाहें तो उसके लिए प्रावधान है कि उसकी investigation करनी पड़ेगी, लिखित permission लेनी पड़ेगी, उस permission में हमें कारण बताना पड़ेगा और अगर प्राइमा-फेसी यह केस बनता है कि उसमें कोई आधार है, तभी जो investigating agency है या investigating officer है, उसको अधिकार होगा उस premises में जाने का, प्रापर्टी को अटैच करने का और अपनी जांच को आगे बढ़ाने का। तो यह तो अच्छा प्रावधान है और इसको व्यापक भी बनाया गया। इसमें बहुत से अपराध जोड़ दिए गए हैं, परन्तु आज सबसे अह्म प्रश्न यह है कि दुनिया के स्तर पर जिस तरीके से यह संगठित अपराध बढ़ रहा है और इन अपराधों के बारे में मैं यह साफ कहना चाहता हूं कि लोग ईमानदार नहीं हैं। क्योंकि, हर जगह जो अपराधियों को पनाह मिलती है, वह पनाह उन्हें कौन देता है? हमारा समाज देता है। यह जो पैसा आता है, यह कहां से आता है? अभी यह कहा गया है कि स्विटज़रलैंड या बहुत से tax haven states हैं और दुनिया भर की काली कमाई का पैसा वहां पर इकट्ठा होता है और यह काली कमाई का पैसा केवल भ्रष्टाचार का ही पैसा नहीं होता है, उसमें अपराध का भी पैसा होता है और वह पैसा दूसरे तरीकों से जेनरेट होता रहता है। अब यदि यह इतना गंभीर प्रश्न है, तो अंतर्राष्ट्रीय स्तर पर, विश्व के स्तर पर ये जितने भी देश हैं, इन देशों के लोगों को भी इस पर गंभीरता से विचार करना चाहिए कि ये जो बैंक हैं या इस प्रकार के जो tax havens हैं, इन बैंकों की जो सीक्रेसी है कि अकाउंट्स डिस्क्लोज़ नहीं कर सकते, ये सोर्स नहीं बता सकते कि यह पैसा कहां से आ रहा है, इसका माध्यम क्या है, इसका स्रोत क्या है, तो अगर इस पर आपस में कोई multi-lateral या बहुपक्षीय सहमति नहीं बनती है तो मैं समझता हूं कि आज अगर यह पैसा float करेगा, बेइमानी का पैसा float करेगा, तो वह पैसा अपराध में भी खर्च होगा, आतंकवाद में भी खर्च होगा, हथियारों की खरीद में भी खर्च होगा। इससे ऐसा नहीं है कि केवल आतंकवाद को ही बढ़ावा मिलेगा, इस प्रकार की काली कमाई का काला पैसा हमारी पूरी वेल्यूज को, हमारे पूरे समाज को,

हमारे पूरे तंत्र को, चाहे आर्थिक तंत्र हो, राजनीतिक तंत्र हो या सामाजिक तंत्र हो, पूरे तंत्र को वह प्रदूषित कर रहा है, पूरी अर्थव्यवस्था को प्रदूषित कर रहा है। आप जानते हैं कि भारत जैसे लोकतांत्रिक देश में आज हमारी चुनाव प्रणाली निरंतर महंगी होती जा रही है और आज चुनाव में नाना प्रकार के अपराधी, नाना प्रकार के माफिया घुसते चले जा रहे हैं और इसके खर्च को बढ़ाने में इसी आतंक, इसी अपराध और इसी काले पैसे का सबसे ज्यादा महत्व है। पहले तो लोग शर्म खाते थे, परन्तु आज ऐसे राजनीतिक दल हैं जिनको पैसा चाहिए। आज नेताओं को पैसा चाहिए और अगर नेताओं को पैसा चाहिए तो मतदाताओं में भी आज कोई शर्म नहीं खाता है, लोग बाकायदा पैसा मांगते हैं । पहले यह होता था कि चुनाव में यदि ज्यादा खर्च होता था तो लोगों में, जनता में यह चर्चा होती थी कि आखिर इस पैसे का सोर्स कहां से है, पैसा कहां से आया, लेकिन अब कोई पूछने वाला नहीं है। अब समाज में इस प्रकार की जवाबदेही किसी के पास नहीं है। क्योंकि, यह बहुत ही गंभीर मामला है इसलिए इस पर बहुत ही गंभीरता से हमें कोई कदम उठाना चाहिए। कानून बना दिया, यह ठीक है, लेकिन इस पर यह शंका ठीक ही व्यक्त की गई कि अगर इसके कार्यान्वयन की या अनुपालन की कोई कार्यवाही नहीं की गई तो यह कानून कानून ही रह जाएगा। क्योंकि हम देखते हैं कि हम कानून निरंतर बनाते जा रहे हैं। हम अपनी एजेंसियों को पावर दे रहे हैं। जैसे SEBI है, SEBI को बहुत पावर दे दी गई है, पुलिस को बहुत अधिकार दे दिया गया है, सरकार को बहुत अधिकार दे दिया गया है, हम अधिकार तो देते जाते हैं, लेकिन मैं यह देख रहा हूं कि अपराध - चाहे वह आर्थिक अपराध हो, चाहे आतंकवादी अपराध हो, किसी अपराध में किसी प्रकार की कोई कमी नहीं आ रही है, बल्कि वह और भी बढता जा रहा है। तो यह जो अपराध बढ़ता जा रहा है, यह केवल किसी देश या वर्ग विशेष के लिए खतरा नहीं है, पूरी मानवता के लिए और पूरी दुनिया के लिए यह खतरा पैदा हो गया है। अभी एक जगह किसी अर्थशास्त्री ने कहा कि आज विश्व का जो आर्थिक संकट है, उसमें अन्य कारणों के अलावा एक बहुत बड़ा कारण यह भी है कि दुनिया के स्तर पर काला पैसा या चोरी करके पैसा बैंकों में इकट्ठा किया जा रहा है और उसके माध्यम से एक पैरलल अर्थव्यवस्था संचालित हो रही है, उससे यह स्थिति बनी है।

उपसभाध्यक्ष जी, भारत की स्थिति तो और भी विचित्र है क्योंकि हम चारों तरफ ऐसे देशों से घिरे हुए हैं, जहां पर सुव्यवस्थित शासन नहीं है, जहां पर इस प्रकार से अपराधी माफिया गुटों का वर्चस्व है और वहां से अपराध, वहां से नाज़ायज़ पैसा, वहां से फर्जी नोट हमारे यहां आ रहे हैं। अभी जो डुमरियागंज की चर्चा हुई, यह डुमरियागंज मेरा ही संसदीय क्षेत्र है, जो नेपाल की सीमा पर बसा हुआ है और आप कल्पना कर सकते हैं कि स्टेट बैंक के chest में करोड़ों रुपए से अधिक नकली नोट हैं। अब आप देखिए कि आम जनता के अंदर स्टेट बैंक के प्रति जो विश्वसनीयता थी, वह भी इधर-उधर के बारे में नहीं, chest के बारे में, उसका क्या हाल होगा। अगर वह आदमी पकड़ा नहीं गया होता, अगर उसने यह कबूल नहीं किया होता, तो शायद इस तथ्य की जानकारी ही न होती कि स्टेट बैंक के chest में इतना नकली पैसा है। यह जो संगठित गिरोह है, यह केवल डुमरियागंज की बात नहीं है, इसके बारे में रोज अखबारों में पढने को मिलता है कि बैंकों के अंदर इस प्रकार के जाली नोट मिल रहे हैं, बैंकों के अंदर इस प्रकार के जाली नोटों का प्रचलन बहुत ही व्यापक स्तर पर है। यह काले पैसे को सफेद करने का नायाब तरीका है। इन सब चीजों पर हमें बहुत गंभीरता से विचार करना चाहिए।

उपसभाध्यक्ष जी, मुझे गांधीजी की एक बात याद आती है। गांधीजी ने कहा था कि हमें पांच पापों से परहेज करना चाहिए - उसमें सबसे पहली बात थी सिद्धांतविहीन राजनीति की, दूसरी बात थी श्रमविहीन संपत्ति। आज केवल हेरा-फेरी से दौलत कमाई जा रही है। आज परिश्रम करने की आवश्यकता नहीं है, परिश्रम तो किसान करता है, मजदूर करता है, वह अपना पसीना बहाता है और पुश्त-दर-पुश्त पसीना बहाने के बावजूद, वह अपने लिए न तो खाने का इंतजाम कर पाता है, न तो कपड़े का इंतजाम कर पाता है और न मकान का इंतजाम कर पाता है। यह जो manipulative economy है, जिसको आप casino economy कह सकते हैं, इसमें यह एक दौर चला है कि बहुत तेजी से हम कैसे अमीर बन जाएं, कैसे करोड़पति बन जाएं। अगर यह प्रवृत्ति रहेगी, तो स्वाभाविक है कि हम नाज़ायज़ तरीकों का इस्तेमाल करेंगे।

अभी एक रिपोर्ट अखबारों में पढ़ने को मिली कि 14.56 खरब डालर पैसा जो स्विटजरलैंड के बैंकों में जमा है, वह भारतीयों का है। एक बहुत बड़े अर्थशास्त्री हैं, जिन्होंने भ्रष्टाचार पर, करप्शन पर काफी काम किया है, उनका यह कहना है कि भारत की GDP का 50 प्रतिशत पैसा ब्लैक मनी के रूप में जनरेट होता है। अगर भारत की ऐसी स्थिति है, जहां लोग बहुत विजिलेंट हैं, जहां एक बहुत अच्छी सरकार है, अच्छी व्यवस्था है, सारे नियम हैं, तो आप पाकिस्तान की क्या बात करेंगे, श्रीलंका की क्या बात करेंगे, नेपाल की क्या बात करेंगे? इस प्रकार का जो ब्लैक मनी जनरेट हो रहा है, वह जब आता है, तो उसमें यह भेदभाव नहीं होता कि यह अपराध का पैसा है या यह मुनाफे का पैसा है। जैसे गंगा प्रदूषित हो रही है, जब गंगा प्रदूषित हो रही है, तो विभिन्न नालों से जो गंदा पानी गंगा में आएगा, तभी तो गंगा प्रदूषित होगी, क्योंकि गंगा के पानी की यह महत्ता है कि अगर थोड़ा-बहुत प्रदूषण हो, तो पानी को साफ कर देती है।

मगर जब चारों तरफ से गंदे नाले का पानी गंगा में आने लगेगा तो गंगा में साफ पानी कम हो जाएगा और जब गंदे पानी की मात्रा अधिक हो जाएगी, तो साफ पानी भी गंदा हो जाएगा। इसी प्रकार से पूरी व्यवस्था है। गांधी जी ने दूसरी बात श्रमविहीन संपत्ति के बारे में कही है। उन्होंने तीसरी बात चरित्रविहीन ळ्ाोान के बारे में कही है। आज लोग सोचते हैं कि हमें बड़ा ज्ञान है, हमें टैक्स के कानून का बड़ा ज्ञान है। परन्तु जितनी गड़बड़ियाँ हो रही हैं, वे ज्यादातर ज्ञानी लोग, जानकार लोग ही कर रहे हैं, क्योंकि fraud करने में भी दिमाग का इस्तेमाल करना पड़ता है। हर आदमी इस प्रकार की धोखाधड़ी नहीं कर सकता है। गांधी जी ने चौथी बात दयाविहीन विज्ञान के बारे में कही। यानी विज्ञान हो और उसमें दया न हो, तो उसका क्या मतलब है। गांधी जी ने पांचवीं बात कष्टविहीन पूजा के बारे में कही। गांधी जी द्वारा कही गई उक्त पांचों बातों का आज भी relevance है। आज हम मेहनत नहीं करना चाहते हैं। हम केवल करोड़पति और अरबपति बनना चाहते हैं। आज जो अपराधी हैं, जो आतंकवादी हैं, वे अपनी प्रतिष्ठा बनाने के लिए बहुत-से NGOs चलाते हैं। बहुत से terrorist organisations हैं, जो social activities और धार्मिक काम में बहुत हिस्सा लेते हैं, क्योंकि आजकल धर्म आस्था की बजाए प्रदर्शन की चीज ज्यादा हो गई है। पहले आस्था प्रमुख थी, लेकिन अब प्रदर्शन प्रमुख हो गया है। आप डाका डाल कर जाइए और हजार आदमियों को भोजन करा दीजिए, तो आप बड़े भारी परोपकारी हो गए। एक दूसरी चीज, जो इन सबको प्रतिष्ठा प्रदान करती है, वह राजनीति है। हमारे यहां एक दल के एक विशेष नेता हैं, उन्होंने बाकायदा बयान दे दिया कि कोई भी अपराध करके आए, तो उसे सुधारने का जिम्मा हमारा है। हम उसको सुधारते हैं। मगर हमें क्या पता कि यह अभी सुधरा है या नहीं या अपनी आदत से बाज आया है या नहीं। यह जो सुधारने की प्रवृत्ति है, आज की राजनीति में जो नेता लोग हैं, ये भी बड़े खतरनाक हैं, क्योंकि महाभारत में कहा गया है कि अगर आपने किसी गलत आदमी का नमक खा लिया, तो उसका असर आपके दिमाग पर भी पड़ता है और आपके व्यक्तित्व पर भी पड़ता है। अगर इस तरह से काले पैसे का असर हमारे ऊपर पड़ेगा, हमारी अर्थव्यवस्था पर पड़ेगा, हमारी सामाजिक व्यवस्था पर पड़ेगा, हमारे धर्म पर पड़ेगा, हमारी चुनाव व्यवस्था पर पड़ेगा और हमारी राजनीतिक व्यवस्था पर पड़ेगा, तो सारे का सारा प्रदूषित हो जाएगा। इसलिए मैं कहना चाहता हूँ कि यह विधेयक बहुत ही अच्छे मकसद से बनाया गया है और इसमें जो खामियां थीं, उन खामियों को दूर किया गया है। इसलिए मैं विश्वास करता हूँ और मैं चाहता हूँ कि इस कानून को सख्ती से लागू किया जाए। इसी के साथ ही साथ इस बुराई से, इस अपराध से और इस बुरी प्रवृत्ति से निपटने के लिए हर स्तर पर चेतना और हर स्तर पर संगठित होने की आवश्यकता है। मैं इन्हीं शब्दों के साथ अपनी बात समाप्त करता हूँ। बहुत-बहुत धन्यवाद।

SHRI SHANTARAM LAXMAN NAIK (Goa): Sir, I stand here to support the Prevention of Money Laundering (Amendment) Bill, 2008. Sir, the object of the Bill is quite laudable. Basically, it proposes to include institutions like Full Fledged Money Changers and Money Transfer Service Providers and to bring the business activities such as casinos under the reporting regime of the

Act. It wants to make provisions for the 'offences with cross border implications'; and ensure that the investigating agency can attach any property and search a person only after completing investigation and also to enhance the period of provisional attachment of property from 90 days to 150 days. Most importantly, it proposes to implement the provisions of the United Nations Convention Against Corruption.

Sir, the present scenario shows that about 500 million dollars business is being done by this industry world over. International community is alarmed by the situation and it is said that there are at least 140 offshore havens for the purpose of laundering money and they are situated in Mauritius, Cayman Islands, Virgin Islands, Thailand, etc. If I may be permitted to put it in a rude language, this is a process by which large amount of illegally obtained money is put in drying machines. In these 41 countries, this is done to legalise the money. Sir, this dirty money comes from various sources. I am not quite sure whether the money which comes from tax evasions, or whatever source we may call it, is covered as an offence under the Income-Tax Act. Maybe, after a particular limit, they are covered. Why is this important? In India, most of the money, let us call it 'dirty money', comes from tax evasion. In our country, the money from the drug trade does not come to that extent. Money relating to crimes is also limited. The money which comes as 'excess money' from various other offences is also limited as compared to tax evasion. And if it is not covered, it is essential.

Secondly, I do not know whether all the countries are having similar legislations under the International Convention. There was an International Convention held on this and, therefore, they have got the legislation. But the provisions with respect to each Act in various countries differ. If it is an offence under the law in our country, and if it is not covered by the legislation of another country, I want to know whether there is any possibility of exchanging information. Whether the other countries also cooperate in these circumstances or not, has to be seen. In that context, an effort has to be made at the international level to have uniformity in the legislations which are brought on this subject.

Sir, it is said that it is difficult to ban our banks to deal with those banks or institutions which encourage laundering, or which deal with it. If that is so, the fear of our banks is that they will be deprived of having even their genuine business. What is the solution for this issue? It is not possible to put a ban on our banks for dealing with these institutions. Then, we have to find out whether this money in our country is coming from the drug trade. What are the various other sources? Have we identified the sources from which this excess or dirty money is coming? It is calculated that more than half of the Gross Domestic Product in India is involved in this trade. You can imagine the magnitude of this problem, Sir!

As far as tourism is concerned, Sir, my State is also a tourism State. One of the sources of manufacturing this money, black money, dirty money, or whatever you call it, is casinos. My State of Goa is also having casinos. Casinos are of two types. One is, whenever a five-star hotel is constructed, they are entitled to have casinos. Then, there are offshore casinos. Licence is given for having offshore casinos. But they never park their vehicles in offshore casinos. They just park on the banks of the river or wherever it is convenient. So, offshore casinos also operate, virtually, in a city. Is there any mechanism to monitor the working of casinos? It is not meant for playing a game. Of course, international people come over there. All these things are understood. I want to know whether this money-laundering takes place in casinos or not; if so, whether surprise raids are done on such casinos for detecting money laundering and other offences. Just like casinos, lotteries are another source. There are very good machines available for the purpose of doing the laundering business. But these machines are nothing compared to drug trade, income-tax evasions, or, say, counterfeiting. This is nothing, but our people have now invented new machines! In the State of U.P., new machines! Birthday machines! इस जन्मदिवस मशीन से जितना चाहे, आप कर सकते हैं, जितना चाहे मनी आप ब्लैक से वाइट कर सकते हैं, laundering कर सकते हैं, disproportionate assets का कोई मतलब ही नहीं है। यह बढ़िया आंसर यूपी वालों ने दिया है। सब यूपी वालों ने नहीं, जब मैं कहता हूं कियूपी वालों ने कहा तो आप उसका मतलब समझ गए होंगे।

श्री रवि शंकर प्रसाद : नायक अपील फाइल नहीं हुई थी, आपको याद है न। ...(व्यवधान)... हमने प्रोटेस्ट किया था।..(व्यवधान)..

श्री शान्ताराम लक्ष्मण नायक : आप लोग वहां पर कुछ करते ही नहीं हैं।..(व्यवधान)..

श्री रवि शंकर प्रसाद : वहां अपील आपको फाइल करनी थी।

श्री रुद्रनारायण पाणि : शान्ताराम जी, आप इतनी अच्छी हिंदी बोलते हैं, कभी-कभार पूरा भाषण हिंदी में दीजिए।

श्री शान्ताराम लक्ष्मण नायक : सर, यह एक बढ़िया मशीन है। फाइनेंस मिनिस्टर इस पर कुछ ध्यान दें। This is going to be a serious matter. अगर सब नेता इस तरह से करने लगेंगे तो देश का क्या होगा? ..(व्यवधान).. चुनाव में जो पैसा आता है, वह कहां से आता है, किस लॉंडरी से आता है, इसका अभ्यास इलेक्शन कमीशन को करना है। इलेक्शन कमीशन सब जगह Expenditure Observer भेजते हैं। Expenditure Observer सब जगह जाते हैं, हमारे स्टेट में भी आते हैं। लेकिन वे कहां रहते हैं? वे गोआ में आते हैं लेकिन सब लोग beach पर जाते हैं। बाद में जब उनको टाइम मिलेगा तो वे किसी के इलेक्शन के दफ्तर में आएंगे, आपने कितने समोसे या कचौड़ियां खायीं, उसका हिसाब करेंगे। उसके बाद जो मनी रात को यहां-वहां displace होती है, उसको कोई भी सीरियसली नहीं देखता, इलेक्शन कमीशन वाले भी नहीं देखते। सुप्रीम कोर्ट ने जजमेंट दिया कि assets फाइल करो। सुप्रीम कोर्ट को लगा कि जब assets फाइल करेंगे, जिसके पास करोड़ों रुपए होंगे, उसको मतदाता देखेगा कि यह करोड़ों रुपए वाला आदमी है, इसको मत नहीं देना है, यह बहुत बदमाश आदमी है। सुप्रीम कोर्ट को लगा कि ऐसा होगा लेकिन आजकल उल्टा हो रहा है। जब assets फाइल करते हैं और लोग देखते हैं कि इसके पास करोड़ों रुपए हैं तो वर्कर्स वहां सपोर्ट करते हैं और परिणाम उल्टा होता है। कोर्ट का जो जजमेंट था वह ठीक था लेकिन आज जिसके assets में करोड़ों रुपए दिखाए जाते हैं - वह सब नोटिस बोर्ड पर लगा होता है, लोग उसे पढ़ते हैं, वह पेपर में आता है - उसको

उसका फायदा होता है, नुकसान नहीं होता है। कोर्ट समझता है, इलेक्शन कमीशन समझता है कि assets फाइल करने से फायदा होगा, वह नहीं होता है बल्कि उसका उल्टा ही परिणाम होता है। जिसके पास करोड़ों रुपए हैं, उन्होंने शायद इसे वेलकम किया होगा। दूसरी चीज़ यह है कि पैसा कहां जाता है, वह देखने की बात है। आज फिल्म इंडस्ट्री में क्या हो रहा है? पांच करोड़ से छः करोड़ रुपए किसी एक्टर को ऑर्डिनरी फिल्म के लिए दिए जाते हैं।..(समय **की घंटी**).. सर, मैं दो-तीन मिनट और लूंगा। यह जो पैसा है, is also a machine. एक पिक्चर निकालते हैं, करोड़ों रुपए कमाते हैं और फिर दो फ्लॉप पिक्चर्स निकालते हैं। सब बराबर हो गया। इस मशीन से भी लॉंडरिंग होती है, इसका भी ख्याल रखना चाहिए। आज आईपीएल के संबंध में सब चिंतित हैं। टीवी में सब मजे से आईपीएल गेम्स को देखते हैं लेकिन आईपीएल में पैसों का जो criminal waste and exposition होता है, वह हमारे भारत जैसे देश को मेरे ख्याल से शोभा नहीं देता है, In my humble opinion. इस प्रकार आप कोई गेम बंद नहीं कर सकते हैं लेकिन जो नए-नए concepts उन्होंने निकाले हैं, New type of contracts and agreements. क्या आपने कहीं पढ़ा है? वे क्या contracts होते हैं। जो मेन प्लेयर्स होते हैं और उसके जो मैनेजर्स होते हैं उनमें कैसा contracts होता है? वहां का सिस्टम क्या है, प्रोविज़ंस क्या होते हैं, मनी एक्सचेंज के बारे में क्या है, अगर आप उस पर ध्यान नहीं देंगे तो वह भी एक मशीन हो जाएगी और आप लोग देखते ही रहेंगे। दूसरी बात यह है कि लोगों को लगता है कि पॉलिटिक्स भी एक मशीन है। जिसके पास करोड़ों रुपये का इन्कम टैक्स बकाया होने का नोटिस आता है, ऐसे लोग किसी न किसी पार्टी में जाने के लिए तैयार रहते हैं। मैंने ऐसा अपनी आंखों से देखा है। मैंने एक्ट्रेस लोगों को भी देखा है, जिनके पास इन्कम टैक्स का नोटिस आता है, वे लोग कतार लगाकर किसी न किसी पॉलिटिकल पार्टी में जाने के लिए, उनके दरवाजे पर खड़े होते हैं। उनको लगता है कि अगर वे पॉलिटिक्स में आते हैं, एम.पी., एम.एल.ए. बन जाते हैं, तो आपको ऐक्सस है, टैक्स अथारिटी के पास जाने का अधिकार होता है, उनकी टेबल पर जाकर आर्गूमेंट करने का अधिकार होता है या वे यह सोचते हैं कि जब एम.पी., एम.एल.ए. बनेंगे, तो वे लोग इतने आपके पीछे नहीं लगेंगे।

I think these days this is not working. As far as this is concerned, with all said and done, just because you are an MP or a Minister, it is not that tax authorities not go after you. But what I am ultimately saying is that you look after all sources, all the methods, and all the types of machines, which are in the market for laundering of money and take your steps. Thank you.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI PAWAN KUMAR BANSAL): Mr. Vice-Chairman, Sir, I thank Shri Ravi Shankar Prasadji, Shrimati Jayanthi Natarajan, Shri Tapan Sen, Shri Brij Bhushan Tiwari and Shri Shantaram Laxman Nayak for their broad-based support to this legislation and also for their very many important suggestions about this important legislation that has been brought before the House today. I again thank Shri Ravi Shankar Prasadji for giving us a very erudite elucidation of what is there in the Bill, what he wants there to be in a law relating to money laundering and what action does he want to really ensure that no tainted money ever makes way into the economy. Sir, as I said earlier, the amendment that is before the House today is to strengthen the legal framework for combating money laundering and the financing of terrorism. Sir, as has been said before me, the initial Bill on the money laundering was

introduced in the year 2002 and passed thereafter and then it did not see the light of day in the sense that it was not notified and was not implemented. It was done so in the year 2005. As the situation evolved, we learnt from experience that certain amendments were imperative to make the provision more stringent, if I were to use the word, and also deterrent, and also to take action against people who were found guilty of dealing with money which had some connection with crime. Sir, today we are moving further in that exercise and I would not refer to all the provisions that are in this Bill and the very good job that the hon. Standing Committee on Finance did in going through the provisions of the Amendment Bill, as also the original Act, had wide ranging discussion on the subject and came out with very many suggestions. Eight out of those, as I earlier said, have been accepted and the two done which we did find it little difficulty in accepting, which have been referred to by Shrimati Jayanthi Natarajan, I would be adverting to it very soon hereafter. Sir, but I would first like to take up in my humble way the very important points that Shri Ravi Shankar Prasadji referred to. Sir, there can be no two opinions on this and I welcome the statement that this is a matter on which every political party has to rise above political considerations and there ought to be no divide whatever when we deal with a situation like that so that we can give a very clear and loud message to the country that the Parliament as such stands united to see that no one benefits from tainted money. As he rightly put it, perhaps, one of the rising causes of crime is money. Therefore, we have got to ensure that that source is dried up and nobody ever gets any inducement whatever to indulge in crime, which as we have seen to our chagrin, to our dismay, has caused us immense loss, immense embarrassment at times.

Sir, when I try to refer to the points that he has made I would again very humbly like to submit that I know he is an eminent lawyer even today. I shed my gown many, many years back, Sir, and God willing I have no intention to go back to it immediately and I hope my learned friend knows about it and having been out of the profession for very long I may not be able to answer his queries, his questions, the way he really put it. But, I certainly feel, Sir, that I would try to in my humble way refer to those points. The first very valid point which he made and I appreciate the spirit of the point raised by him was that when we find that there is some tainted money somewhere we have got to be expeditious in our disposal, we ought not to waste time anywhere to take action against that, to seize that money, to attach property and even if there is a need to search for it. Therefore, I believe, that it was in this context that he referred to the Statement of Objects and Reasons when he referred to Para 2 (c) where it is mentioned that the objectives of this amendment Bill are to ensure that the investigating agency can attach any property and search a person only after completing investigation and also to enhance the period of provisional attachment of property from 90 days to 150 days. Sir, in this context I would like to draw his attention to the original Section 5. In fact, Sir, through this amendment we are taking care of the

concerns which have been expressed by him. Sir, the provisions of Section 5 as they stood earlier are rather restrictive. I won't take the time of this hon. House and I am conscious of the fact that we are not in a court of law. We are taking up this provision here. But, I would — without going into the details or being pedantic about the provisions therein — only like to say that Section 5 (1) (b) says, "Before a tainted money is projected as..." He beautifully put it again, Sir, I really am appreciative of the fact when he referred to the placement of the money, the layering and integration. Sir, the placement and integration as we would understand, before tainted property or the tainted money becomes or is projected as untainted it goes through a number of transactions and, therefore, the original provision, Sir, if I refer to Section 5 (1) (b) was rather restricting the provisional attachment and seizure. Sir, it said and only part I would like to read and I suppose I have to. Perhaps my hon. Friend had read only the first part of Section 5 but not the proviso. The proviso that restricted the action by the authority said, "Provided that no such order of attachment shall be made unless, in relation to an offence under (i) Paragraph 1 of Part A and Part B of the Schedule, a report has been forwarded to a Magistrate under section 173 of the Code of Criminal Procedure, 1973; or (ii) Paragraph 2 of Part A of the Schedule, a police report or a complaint has been filed for taking cognisance of an offence by the Special Court constituted under sub-section (1) or section 36 of the Narcotic Drugs and Psychotropic Substances Act, 1985." Sir, we had suggested an amendment to this on our own but we are rendered wiser by the recommendations of the Standing Committee and after the recommendations of the Standing Committee the amendments that I am incorporating now, Sir, would take care of that provision and we are now proposing to provide that the proceeds of crime can be provisionally attached even when these are in the possession of a person who has not been charged with a predicate offence by inserting a suitable proviso in Section 5. We have added two provisos which take care of your concern. Rather, I assure you that this amendment has been...

SHRI RAVI SHANKAR PRASAD: Mr. Minister, please change the Statement of Objects and Reasons. It will create litigation unnecessarily. That is all. I am with you. You are right. Bur, at least, suitably change the wording.

SHRI PAWAN KUMAR BANSAL: Sir, again, I reiterate my submission that the amendments proposed, initially, by the Government and thereafter the new amendment that I would be introducing today, precisely take care of these things so that the restrictive provisions earlier which tied the hands of the investigating agencies in the cases which the non-police authorities investigate does not come in the way. There are certain predicate offences which are investigated by the police authorities otherwise. In cases where non-police authorities investigate, we have, rather see to it that they act expeditiously and see that the objective of the Act is not frustrated otherwise.

The second point he raised was about the training of staff of banks to deal with the situation. Here, I would just like to add only in one sentence that the banks carry out regular

programmes for providing necessary training to staff at different levels. That is the reason why we have been successfully come down to core banking solutions in many banks. The core banking solution is increasing in all branches of banks. The concerned officials of the banks are well trained. If I were to say so, if one fake Indian currency note passes through their hands, without even using machines, they are able to detect that.

Sir, I am, at the same time, conscious of the fact which hon. Member Shri Tiwariji made that there has been a case. But, Sir, that is where you can come across a situation like that anywhere. You can come across with dishonest persons anywhere and you really cannot make laws to that extent to deal with every act of dishonesty. Though, we have a plethora of laws to deal with such situations, the case that he cited was where a bank employee was involved in this and it was detected. He would appreciate that it was detected by the bank staff only. The banks are mandated to file fortnightly reports about any incident which come to their notice. If any receipt of fake Indian currency note is received, they have to report to the Reserve Bank of India. The Reserve Bank of India has very stringent laws to deal with situation where a bank does not even file a return. The officers in the bank and dealing hands deal with it thoroughly. Sir, again, it is an on-going process. They have their training agencies. They have their training colleges. They have their training institutes where, on a regular basis, the necessary training is imparted to the people to ensure that their training does not or their skill is not rendered obsolete at any stage.

Sir, the third point he made was about the abuse of the Participatory Notes. In this connection, I would like to say, the ambit of the reporting regime is widened. We have included very many other agencies not only just banking and non-banking financial companies but also other intermediaries. The definition has been widened to include very many, including the Stock Exchanges. But, coming to the Participatory Notes, my hon. friend would appreciate that Participatory Notes — he knows more than me — are those instruments which are issued by the FIIs to investors abroad. Sir, the FIIs collect money and invest that in India. The Participatory Notes are regulated by the jurisdictions abroad where they are issued and there are stringent laws. We have elaborate law in force. Sir, only those Participatory Notes are recognised here which are issued by the regulated jurisdiction there, not otherwise. A reference has been made as to what the SEBI has done about it. Since 2003, the SEBI has provided that the Participatory Notes can be issued in only well regulated jurisdictions. I repeat this point only for the sake of adding emphasis to it. In this case also, a monthly return has been prescribed by the SEBI for FIIs to file it regarding information containing the details about the holder of the Participatory Notes and the amount invested. Sir, the SEBI, I say with a sense of satisfaction, has not come across even a single case where it has been said that the Participatory Notes have been abused or misused.

The participatory notes are not issued or traded in India. As I said earlier, they are issued abroad. The SEBI cannot control the issuance of such participatory notes abroad. It can only regulate them. And, they are, indeed, regulated. India can be proud of the fact that we have strong, independent and autonomous regulatory bodies, whether it is the Central Bank, in the form of the Reserve Bank of India, or, it is the IRDA, or, it is the SEBI. Therefore, I will urge that we need not really entertain any doubt about the abuse of the participatory notes in this process.

The other point that the hon. Member raised was regarding the German Bank. The hon. Member asked why is it so that India has not approached them. I would only like to inform that the Central Board of Direct Taxes is pursuing the matter with them and so is our Ambassador to Germany. They are pursuing that matter there. The hon. Member also asked about the regulatory mechanism in the Act. Perhaps, by 'regulatory' he meant as to how the Act is working. I would like to inform in this connection and it would be suffice to say that all the authorities under the Act, whether they are adjudicating authorities, or, they are appellate tribunals, or, the Directors, or, any one, different roles are assigned to different authorities under a well-defined, elaborately worked out piece of legislation, taking care that while we are stringent in taking action against any violation of the law as far it involves tainted money; at the same time, taking care that the well-accepted norms of criminal jurisprudence are not violated anywhere, that law has been framed, all the authorities are in place. Sir, maybe, not very necessary to give this information, but when I say that all the authorities are in place, the number of cases under investigation, at present, is 58. The provisional attachment is in 28 cases. The value of property against this is Rs. 53,44,34,936/-.

Hon. Member, Shrimati Jayanthi Natarajan, made two points. And, those are the two points, where I said that we presently find ourselves unable to agree to those recommendations of the Standing Committee. The first one relates to exempting proceeds of market manipulation from confiscation. In this case, the Government has considered this point at length. And, our opinion, which I would like to share with the hon. House, is that the proceeds of crime to the *bona fide* owner of the property may also arise in respect of several other predicate offences, other than the stock manipulation and inside training, such as, robbery, dacoity and forgery, etc. Hence, if we were to change the definition, if we were to incorporate the suggestion of the Standing Committee, then, it could lead to a situation that may not be desirable to have this provision because many, many more claims could come up. Sir, what we feel is that such a provision would not be in line with the basic structure of the Prevention of Money Laundering Act. However, the confiscated proceeds of crime can be disposed of by the Government. That is provided in the Act. It can be disposed of by the Government at any time in such a manner as it deems appropriate. And, therefore, because of this provision, the Government can refund the confiscated property on the advice of the SEBI in cases where the predicate offences relate to stock manipulations and inside trading. And, therefore, without having a provision like that —

because that would open the floodgates of many other claims and would even lead to some sort of frustration of some objectives of the Act — the Government can be approached and the Government can always release that property when the occasion like this arises.

As I said earlier, we have to strike a balance between the two. Therefore, if the need is so felt, the Government can always do it.

The second point which she referred to was the need to have a threshold in case of fake Indian currency notes. I for one, Sir, have come across these kinds of cases. Unfortunately, the law is like that. Sir, the problem really lies not with this provision, but it is elsewhere. And an amendment to the IPC is needed. Under the law, as I understand it — Mr. Ravi Shankar Prasadji will bear me out for this — is that even possession of one fake currency note is an offence. If, per chance, I go to the market and somebody hands out one fake currency note to me, as the law stands today, even that is an offence. But, if you put some sort of threshold, then, the basic thing about which many hon. Members of this House have referred to will be taken care of. I can assure the House the number of fake Indian currency notes, which have been seized from time to time, is not alarming at all. There is no cause for concern about that. But, nevertheless, the fact remains that there are forces inimical to us which would like to pump in such money. In what way they do it? They split it into different parts and do it. They may flood the market. Therefore, the need to have a threshold would not be really called for, particularly, because in criminal jurisprudence, for every offence, the *mens rea*, the guilty mind is necessary. That is important. Therefore, one need not really have any threshold provision. She would agree with me, I suppose she is agreeing with me that it is for these reasons that this provision has not been incorporated there.

There was a general discussion about the role that dirty money plays in our social and political life. Those are the issues for which I don't consider myself competent to be discussing. At the moment, we are discussing the provisions of the Prevention of Money Laundering Bill. I suppose, it is the clarion call given by Shri Ravi Shankar Prasadji that all the parties should get together to deal with the menace, which has become a scourge of the society today. We have to get together to fight that out. All I would like to say is that the passing of this law today would really widen the scope... *(Interruptions)*.. With the passing of this law, we can proudly go to Asia-Pacific Group as also the Financial Action Task Force, the International Organisation which is coordinating the efforts in the field of anti-money laundering. Sir, with the observer status that we have at present today, I am sure, we will soon become a regular member, thereof, and we will be second to none in dealing with this problem and through that many other problems which were referred to would be solved.

With these words, I thank the hon. Members for extending an all out support to this Bill. Thank you.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): The question is:

That the Bill further to amend the Prevention of Moneylaundering Act, 2002, be taken into consideration.

The motion was adopted.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall now take up clause-by-clause consideration of the Bill. In clause 2, there are three amendments (Nos. 3, 4, and 5) by the hon. Minister.

CLAUSE 2 - AMENDMENT OF SECTION 2

SHRI PAWAN KUMAR BANSAL: Sir, I move: -

3. That at page 1, *for* lines 10 to 12, the following be *substituted*, namely:-

42 of 1999. '(*da*) "authorised person" means an authorised person as defined in clause (*c*) of section 2 of the Foreign Exchange Management Act, 1999;'.

4. That at page 2, lines 1 to 3, be *deleted.*

5. That at page 2, *for* lines 31 to 34, the following be *substituted*, namely:-

'(rb) "payment system" means a system that enables payment to be effected between a payer and a beneficiary, involving clearing, payment or settlement service or all of them.

Explanation. - For the purposes of this clause, "payment system" includes the systems enabling credit card operations, debit card operations, smart card operations, money transfer operations or similar operations;

(rc) "payment system operator" means a person who operates a payment system and such person includes his overseas principal.

Explanation. - For the purposes of this clause, "overseas principal" means.-

(A) in the case of a person, being an individual, such individual, residing outside India, who owns or controls or manages, directly or indirectly, the activities or functions of payment system in India ;

(B) in the case of a Hindu undivided family, *karta* of such Hindu undivided family residing outside India who owns or controls or manages, directly or indirectly, the activities or functions of payment system in India;

(C) in the case of a company, a firm, an association of persons, a body of individuals, an artificial juridical person, whether incorporated or not, such company, firm, association of persons, body of individuals, artificial juridical person incorporated or registered outside India or existing as such and which owns or controls or manages, directly or indirectly, the activities or functions of payment system in India;".

The question was put and the motion was adopted.

Clause 2, as amended, was added to the Bill.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN) : In clause 3, there are two amendments (Nos. 6 and 7) by the hon. Minister.

CLAUSE 3 - AMENDMENT OF SECTION 5

SHRI PAWAN KUMAR BANSAL: Sir, I move:

6. That at page 2, *for* lines 43 to 47, the following be *substituted*, namely:-

'(*b*) for the proviso, the following provisos shall be substituted, namely:-

2 of 1974 "Provided that no such order of attachment shall be made unless, in relation to the scheduled offence, a report has been forwarded to a Magistrate under section 173 of the Code of Criminal Procedure, 1973, or a complaint has been filed by a person, authorised to investigate the offence mentioned in the Schedule, before a Magistrate or court for taking cognizance of the scheduled offence, as the case may be:

Provided further that, notwithstanding anything contained in clause (b), any property of any person may be attached under this section if the Director or any other officer not below the rank of Deputy Director authorised by him for the purposes of this section has reason to believe (the reasons for such belief to be recorded in writing), on the basis of material in his possession, that if such property involved in money laundering is not attached immediately under this Chapter, the non-attachment of the property is likely to frustrate any proceeding under this Act;".

7. That at page 3, lines 1 and 2, be *deleted.*

The question was put and the motion was adopted.

Clause 3, as amended, was added to the Bill.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Now, we shall take up clause 4.

Clause 4 was added to the Bill.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall now take up insertion of new clause 4A. There is one amendment no. 8 by Shri Pawan Kumar Bansal.

INSERTION OF NEW CLAUSE 4A : AMENDMENT OF SECTION 8

SHRI PAWAN KUMAR BANSAL: Sir, I move:

That at page 3, *after* line 7, the following be *inserted*, namely:-

'4A. In section 8 of the principal Act, in sub-section (1), for the words and figure "offence under section 3", the words and figure "offence under section 3 or is in possession of proceeds of crime" shall be substituted.

The question was put and the motion was adopted.

Clause 4 (a) was added to the Bill.

Clause 5 was added to the Bill.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall now take up clause 6. There is one amendment no. 9 by Shri Pawan Kumar Bansal.

CLAUSE 6 : AMENDMENT OF SECTION 17

SHRI PAWAN KUMAR BANSAL: Sir, I move:

That at page 3, *for* lines 18 to 24, the following be *substituted,* namely:-

'6. In section 17 of the principal Act, in sub-section (1),-

(i) in the opening portion, for the words "the Director". the words, "the Director or any other officer not below the rank of Deputy Director authorised by him for the purposes of this section," shall be substituted;

(ii) for the proviso, the following proviso shall be substituted, namely:-

"Provided that no search shall be conducted unless, in relation to the scheduled offence, a report has been forwarded to a Magistrate under section 157 of the Code of Criminal Procedure, 1973, or a complaint has been filed by a person, authorised to investigate the offence mentioned in the Schedule, before a Magistrate or court for taking cognizance of the scheduled offence, as the case may be."

The questions were put and the motions were adopted.

Clause 6, as amended, was added to the Bill.

Clauses 7 to 11 were added to the Bill.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Now, we shall take up clause 12. There are three amendment nos. 10, 11 and 12 by Shri Pawan Kumar Bansal.

SHRI PAWAN KUMAR BANSAL: Sir, I move:

That at page 5, *after* line 2, the following be *inserted*, namely:-

"16A Punishment for making demands of radioactive substances, nuclear devices, etc."

That at page 5, *after* line 4, the following be *inserted*, namely:-

"18A Punishment for organising of terrorist camps

18B Punishment for recruiting of any person or persons for terrorist act".

That at page 6, *after* line 3, the following be *inserted,* namely:-

"417 Punishment for cheating

418 Cheating with knowledge that wrongful loss may ensue to person whose interest offender is bound to protect.

419 Punishment for cheating by personation.

420 Cheating and dishonesty inducing delivery of properties.

421 Dishonest or fraudulent removal or concealment of property to prevent distribution among creditors.

422 Dishonestly or fraudulently preventing debt being available for creditors.

423 Dishonest or fraudulent execution of deed of transfer containing false statement of consideration.

424 Dishonest or fraudulent removal or concealment of property."

The questions were put and the motions were adopted.

Clause 12, as amended, was added to the Bill.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Now, we shall take up clause 1. There is one amendment no. 2 by Shri Pawan *Kumar Bansal.*

CLAUSE 1: SHORT TITLE AND COMMENCEMENT

SHRI PAWAN KUMAR BANSAL: Sir, I move:

That at page 1, line 4, *for* the figure "2008", the figure "2009", be *substituted.*

The question was put and the motion was adopted.

Clause 1, as amended, was added to the Bill.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Now, we shall take up the Enacting Formula. There is one amendment no. 1, by Shri Pawan Kumar Bansal.

ENACTING FORMULA

SHRI PAWAN KUMAR BANSAL: Sir, I move:

That at page 1, line 1, *for* the word "Fifty-ninth", the word "Sixtieth" be *substituted.*

The question was put and the motion was adopted.

The Enacting Formula and the Title as amended, were added to the Bill.

SHRI PAWAN KUMAR BANSAL: Sir, I move that the Bill, as amended, be passed.

The Bill, as amended, was passed.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Now, we shall take up the Interim Budget (Railways), 2009-10.

INTERIM BUDGET (RAILWAYS) 2009-10

श्री कलराज मिश्र (उत्तर प्रदेश): उपसभाध्यक्ष जी, मैं माननीय रेल मंत्री जी के द्वारा प्रस्तुत किए गए रेल के अंतरिम बजट पर अपने विचार व्यक्त करने के लिए खड़ा हुआ हूँ।

मान्यवर, मंत्री जी ने रेल का जो अंतरिम बजट प्रस्तुत किया है, उसका प्रारम्भ अपनी शेर-ओ-शायरी के माध्यम से किया है और उसका समापन भी उसी से किया है। आपने जो भी शेर-ओ-शायरी की है, उसमें निश्चित रूप से देश के प्रति अपने समर्पण के भाव को भी व्यक्त किया है। रेलवे बजट को प्रस्तुत करते समय यह दर्शाया गया था कि रेल के माध्यम से पूरे देश की हम प्रखर सेवा कर रहे हैं और इस दिशा में हम लगातार कार्य करते रहेंगे। इस प्रकार की भावना को पेश करते हुए अपने अंतरिम बजट के अंदर कुछ चीजों को दर्शाने का प्रयत्न किया गया है। संभवत: यह इनका छठा बजट है, इसे अंतिम बजट भी कहा जा सकता है।